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20 April 1981

MEMORANDUM FOR: Chief, EPDS

FROM:

[REDACTED]

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Chief, Operations Group

SUBJECT:

Proposed OMB Review of Covert Action Infrastructure

1. On 14 April, Mr. Keith Hall, OMB, advised that he has been instructed by his supervisor, Mr. William Schneider, Associate Director for National Security and International Affairs, OMB to initiate a review and report on the capabilities and the adequacy of the so-called covert action infrastructure. [REDACTED]

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2. Mr. Hall indicated that Mr. Schneider wanted a better feel for our infrastructure capabilities to more effectively participate in NSC deliberations. [REDACTED]

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3. Mr. Hall is not yet precise as to what he will want to include in his report or from whom he intends to seek briefings but his preliminary thinking (subject to Schneider's guidance) is to prepare his analysis with the thought of referring it to the DCI as an options paper for review and recommendation or alternatively creating an OMB issues paper.

4. Initially, the analysis of our CA infrastructure would touch on the following:

- a. What it is;
- b. Current capabilities to include:

[REDACTED]

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- c. Historical perspectives:

- (1) What it was once capable of doing [REDACTED]
- (2) Material delivery capabilities;
- (3) Funding capabilities

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[REDACTED]

[REDACTED]

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6. He was not specific on his due date for completion of the report, but seeks to begin preliminary talks to define issues and schedule briefings in early May. (U)

7. In order that we may keep Mr. Hall's request focused and provide him with as full response to his request as is possible within the Director's obligation to protect sources and methods, we ask that you designate a focal point in the Directorate and contact the undersigned for a meeting on 28 or 29 April to develop suggested Directorate procedures and definition of terms which we can discuss prior to holding an overview and planning session with the OMB representative. (S)

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